



COMMISSIONER  
TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

201309026

DEC 05 2012

Uniform Issue List: 408.03-00

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Legend:

Taxpayer A	=	***
IRA X	=	***
Amount A	=	***
Financial Institution	=	***
Custodian	=	***
Company	=	***
Investment	=	***
Accounting Firm	=	***

Dear \*\*\*:

This is in response to your request dated June 19, 2012 as supplemented by correspondence dated September 14, 2012, in which you request a waiver of the 60-day rollover requirement contained in section 408(d)(3) of the Internal Revenue Code (the "Code").

The following facts and representations have been submitted under penalty of perjury in support of the ruling requested.

Taxpayer A represents that the custodian of IRA X caused a distribution from IRA X totaling Amount A. Taxpayer A asserts that her failure to accomplish a rollover within the 60-day period prescribed by section 408(d)(3) of the Code was due to an error committed by Financial Institution, in that she did not request the distribution of Amount

A and she did not become aware of the distribution until after the 60-day period. Taxpayer A further represents that Amount A has not been used for any other purpose.

Taxpayer A maintained IRA X with Financial Institution with Custodian acting as custodian. The primary investment of IRA X was Investment, in which Taxpayer A invested Amount A. Taxpayer A's employer, Company, manages Investment.

Taxpayer A received a notice dated September 14, 20 from Financial Institution stating that Custodian may cease being the custodian of Investment in November 20 . After receiving the notice, Taxpayer A spoke with Company and Company's accounting firm, Accounting Firm. They both advised her that they were looking into resolving the matter in order to keep Investment with Custodian. Taxpayer A relied on Company and Accounting Firm to handle the matter. On November 30, 20 , Custodian ceased acting as custodian of Investment, and Financial Institution removed Investment from the list of assets of IRA X, in effect causing a distribution of Investment valued at Amount A. Investment was not liquidated, and no distribution check was received by Taxpayer A.

Taxpayer A did not become aware of this distribution of Investment from IRA X until February 20 when her tax preparer advised her that her Form 1099-R reported this distribution of Amount A. Accounting Firm, which had been in discussion with Financial Institution to resolve the matter, had not been informed of Custodian formally ceasing to be custodian of Investment. Company, as manager of Investment, was not informed of any change in ownership of IRA X's ownership interest in Investment. Investment still lists IRA X as an owner and Taxpayer A even received a regular dividend distribution from Investment in December 20 , which she deposited as usual in IRA X. Taxpayer A did not intend to distribute Investment from IRA X.

Based on the facts and representations, you request a ruling that the Internal Revenue Service waive the 60-day rollover requirement contained in section 408(d)(3) of the Code with respect to the distribution of Amount A.

Section 408(d)(1) of the Code provides that, except as otherwise provided in section 408(d), any amount paid or distributed out of an IRA shall be included in gross income by the payee or distributee, as the case may be, in the manner provided under section 72.

Section 408(d)(3) of the Code defines, and provides the rules applicable to IRA rollovers.

Section 408(d)(3)(A) of the Code provides that section 408(d)(1) does not apply to any amount paid or distributed out of an IRA to the individual for whose benefit the IRA is maintained if

(i) the entire amount received (including money and any other property) is paid into an IRA for the benefit of such individual not later than the 60<sup>th</sup> day after the day on which the individual receives the payment or distribution; or

(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan (other than an IRA) for the

benefit of such individual not later than the 60<sup>th</sup> day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to section 408(d)(3)).

Section 408(d)(3)(B) of the Code provides that section 408(d)(3) does not apply to any amount described in section 408(d)(3)(A)(i) received by an individual from an IRA if at any time during the 1-year period ending on the day of such receipt such individual received any other amount described in section 408(d)(3)(A)(i) from an IRA which was not includible in gross income because of the application of section 408(d)(3).

Section 408(d)(3)(D) of the Code provides a similar 60-day rollover period for partial rollovers.

Section 408(d)(3)(E) of the Code provides that the rollover provisions of section 408(d) do not apply to any amount required to be distributed under section 408(a)(6) (related to required minimum distributions under section 401(a)(9) and incidental death benefit requirements of section 401(a)).

Section 408(d)(3)(I) of the Code provides that the Secretary may waive the 60-day requirement under sections 408(d)(3)(A) and 408(d)(3)(D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.

Rev. Proc. 2003-16, 2003-4 I.R.B. 359 (January 27, 2003) provides that in determining whether to grant a waiver of the 60-day rollover requirement pursuant to section 408(d)(3)(I) of the Code, the Service will consider all relevant facts and circumstances, including: (1) errors committed by a financial institution; (2) inability to complete a rollover due to death, disability, hospitalization, incarceration, restrictions imposed by a foreign country or postal error, (3) the use of the amount distributed (for example, in the case of payment by check, whether the check was cashed); and (4) the time elapsed since the distribution occurred.

The information presented and documentation submitted by Taxpayer A is consistent with her assertion that her failure to accomplish a timely rollover was caused by an unauthorized distribution made by Financial Institution. Taxpayer A did not request the distribution of Amount A and did not become aware of the distribution until after the 60-day period.

Therefore, pursuant to section 408(d)(3)(I) of the Code, the Service hereby waives the 60-day rollover requirement with respect to the distribution of Amount A from IRA X. Taxpayer A is granted a period of 60 days from the issuance of this ruling letter to contribute Amount A into a rollover IRA. Provided all other requirements of section 408(d)(3), except the 60-day requirement, are met with respect to such contribution, Amount A will be considered a rollover contribution within the meaning of section 408(d)(3).

This ruling does not authorize the rollover of amounts that are required to be distributed by section 401(a)(9) of the Code.

No opinion is expressed as to the tax treatment of the transaction described herein under the provisions of any other section of either the Code or regulations which may be applicable thereto.

This letter is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

If you wish to inquire about this ruling, please contact \*\*\*\*\* at (\*\*\*)  
\*\*\* - \*\*\*. Please address all correspondence to SE:T:EP:RA:T2.

Sincerely yours,

  
Donzell H. Littlejohn, Manager,  
Employee Plans Technical Group 2

Enclosures:

Deleted copy of ruling letter  
Notice of Intention to Disclose

cc: \*\*\*